sage | Accounting

Release Notes

Sage Accounting
Release 4.1.5

Release Dates: Delivery: 5-9 November 2018

Contents

TABLE OF CONTENTS

Release detail

This document details all items that will be included in the Version 4.1.5 release.

Audience

This document is aimed at all the users that will be using and maintaining the Sage Business Cloud Accounting system.

What's new

The following is included in version 4.1.5:

New Functionality

Singapore Prescribed Goods

Customer Accounting for certain prescribed goods will be implemented from 1 Jan 2019 to deter fraud schemes where the seller absconds with the GST collected, but businesses further down the supply chain continue to claim the input tax.

UAE VAT Report Changes

Sage updated the calculations on the VAT Report to be in line with the format and layout specified in the Federal Tax Authority's Value Added Tax (VAT) Returns User Guide (February 2018).

Improved Journal Processing (Australia Only)

Journal Processing was changed to allow the creation and printing of transactions without updating the Journals immediately.

1. Singapore Prescribed Goods

Customer accounting for certain prescribed goods will be implemented from 1 Jan 2019 to deter fraud schemes where the seller absconds with the GST collected, but businesses further down the supply chain continue to claim the input tax. It will be applicable to supply of mobile phones, memory cards and off-the-shelf software, which are commonly used in these fraud schemes.

Under customer accounting, the responsibility to account for output tax on the sales shifts from the supplier to the customer. As a supplier, you are required to apply customer accounting on your local sale of Prescribed Goods made to a GST-registered customer if the value of your sale (excluding GST) exceeds $10,000.

If you make a relevant supply, your GST-registered customer will account for the output tax on this supply on your behalf. You must issue a customer accounting tax invoice to your customer to show that you will not collect the GST chargeable on this supply and that your customer will account for it instead.

If you receive a relevant supply (i.e., you are the customer), you will account for the output GST chargeable on the purchase, on behalf of your supplier. You will also be able to claim the input tax on this purchase if it is for your business use and for the making of your taxable supply.

The following changes have been made:

1. The client needs to indicate that the company is a Prescribed Goods Trader.
2. The client needs to specify the Customers and/or Suppliers with whom Prescribed Goods will be traded.
3. The client needs to indicate which Items fall within the definition of Prescribed Goods as set out by the Inland Revenue Authority of Singapore.
4. The client needs to update the Recurring Invoices for Prescribed Goods.

Setup: Prescribed Goods Transactions.

The following steps indicate how to allow for this setup:

1.1.   Set Company as a Prescribed Goods Trader

The client needs to specify that the company is trading in Prescribed Goods. This will enable the new Tax Types needed to process Prescribed Goods transactions and validate that the company is registered for GST.

Click on Company … Change Company Settings … Tax Settings … Tax Settings:

- Select/Unselect the **Prescribed Goods Trader** field.

The system will validate that the Company has a GST registration number.

1.2.   Indicate Prescribed Goods Items.

The client needs to specify which items fall within the IRAS definition of Prescribed Goods excluding Excepted Supply. This will enable the system to calculate Customer Accounting only on relevant supply.

Click on Items …Lists … List of Items:

- Open the relevant item.
- Select/Unselect the Prescribed Goods excl Excepted Supply field.

The client can also update multiple items by making use of the bulk update functionality.

1.3. Specify the Customer(s) and/or Supplier(s) with whom Prescribed Goods will be traded.

The client needs to specify the Customer(s) and/or Supplier(s) with whom Prescribed Goods will be traded. This will enable the new Tax Types on documents and validate that the Customer(s) and/or Supplier(s) is registered for GST.

Click on Customer(s) or Supplier(s) … Lists … List of Customer(s) or Supplier(s):

- Open the relevant **Customer** or **Supplier** record.
- Select/Unselect the **Prescribed Goods Customer/Supplier** field.

The system will validate that the Customer(s) and/or Supplier(s) has a GST registration number.

1.4. Indicate existing Customer Accounting Agreements.

You may apply customer accounting to all your supplies of prescribed goods made to a GST-registered customer regardless of the value of supply provided that certain IRAS conditions are met.

Click on Customer or Supplier … Lists … List of Customer or Supplier:

- Open the relevant **Customer** or **Supplier** record.
- Select/Unselect the **Prescribed Goods Customer** field.
- Select the **Customer Accounting Agreement field** if an active agreement exists.

1.5.   Sage calculates the Customer Accounting value on Relevant Supply.

When the user creates a new document (Quote/Invoice/etc) for a Prescribed Goods Customer/Supplier containing a Prescribed Goods Item, Sage will validate whether the value of the sale exceeds the $10 000 limit, and calculate Customer Accounting based on the Prescribed Goods items contained in the document

When the user creates a new document (Quote/Invoice/etc) for a Customer/Supplier with a Customer Accounting Agreement containing Prescribed Goods Items, Sage will calculate Customer Accounting based on the Prescribed Goods items contained in the document irrespective of the value of the Relevant Supply.

Sales Transaction

Are you making a local sale of prescribed goods?

— No → **Normal GST rules apply** — You will continue to charge and account for GST on your taxable supplies of non-prescribed goods. You can continue to zero-rate your exports of prescribed goods.

↓ Yes

Does the value of your sale exceed $10 000?

— No → **Normal GST rules apply.** You will continue to charge and account for GST on your taxable supplies of prescribed goods.

↓ Yes

Is the supply of prescribed goods an excepted supply?

— Yes → For excepted supply, you will continue to apply the existing GST treatment.

↓ No

Is your customer GST-registered & purchasing prescribed goods for business use?

— No →

↓ Yes

Customer Accounting applies. You must not charge and collect GST on the sale.

Purchase Transaction

Are you making a local purchase of prescribed goods?

— No →

↓ Yes

Does the value of your purchase exceed $10 000?

— No → **Normal GST rules apply** — Your supplier will charge and account for GST on the sale.

↓ Yes

Is the purchase of prescribed goods an excepted supply?

— Yes → For excepted supply, your supplier will continue to apply the existing GST treatment.

↓ No

Are you purchasing prescribed goods for business use?

— No →

↓ Yes

Customer accounting applies — Your supplier must not charge and collect GST from you. Instead, you must account for the output tax on behalf of your supplier.

Example: A GST-registered supplier (Supplier A) sells memory cards for $10,500 (excluding GST) to a GST-registered customer (Customer B) for the customer's business purpose.

Click on Customers … Transactions … Customer Quotes … Add Quote:

- Select Customer B
- Select memory cards in the Item list and specify the quantity and price.
- Click on **Save**.
  Sage Accounting will now verify that the correct tax type has been selected based on the value of all Prescribed Goods Items contained in the quote and that the GST is allocated to the correct responsible party.

Any Customer Accounting GST amount calculated clearly displays on the document.

1.6. Customer updates Recurring Invoices containing Prescribed Goods.

If Prescribed Goods has been activated in a Singapore company, the system will validate whether Recurring Invoices exist that contain Customer(s) or Item(s) that have been flagged for Prescribed Goods. The user will be warned to review these Recurring Invoices.

Example: A GST-registered company is a Prescribed Goods Supplier that sells Prescribed Goods Mobile Phones for $12,000 (excluding GST) to a GST-registered customer (Customer C) for the customer's business purpose. The company uses a Recurring Invoice to generate a monthly invoice for Customer C.

Click on Customers … Lists … List of Customers:

• Select Customer C
• Select/Unselect the **Prescribed Goods Customer** field.

   The system will warn the user that a Recurring Invoice exists for this Customer.

• Select Customer C
• Select **Transactions**
• Select **Customer Recurring Invoices**
• Select the Recurring Invoice(s) for Customer C. Confirm that the Tax Type(s) of Prescribed Goods Item(s) are updated to the Prescribed Goods Tax Type.
• Click on **Save**.
   Sage Accounting will now verify that the correct tax type has been selected based on the value of all Prescribed Goods Items contained in the invoice and that the GST is allocated to the correct responsible party.

1.7. Sage disables partial Credit Notes/Supplier Returns.

If the user wants to issue a Credit Note or Supplier Return for Prescribed Goods supplied, a full credit needs to be done of the Invoice containing Prescribed Goods. Any payment receipts allocated to this Invoice will be unallocated to enable the user to reallocate it to the new Invoice. Any Customer Accounting GST amount being reversed is clearly displayed on the document.

Click on Customers … Transactions … Customer Credit Notes … Add Credit Note:

- Select Customer B
- Select the "From Invoice" that you would like to credit. The full Invoice will automatically be populated in the grid.
- Click on **Save**.

2. United Arab Emirates VAT Report Changes

One of the Federal Tax Authority's requirements is for the tax accounting software to generate a VAT return file as per the FTA format and allow businesses to use this file to fill in the returns form on the FTA e-tax portal. As a flow-out of the Reverse Charge Mechanism introduced October 2017, FTA introduced changes to the VAT report.

To ensure we enable our clients to do this, the following changes have been made:

1. The client needs to specify a "Purchase From" City on a "Standard Rated" Customer. This is validated on Customer as well as on document level.
2. Sage disabled the "[IG] Intra GCC" tax type.
3. Sage updated the calculations on the VAT Report to be in line with the format and layout specified in the FTA's Value Added Tax (VAT) Returns User Guide (February 2018). This includes renaming Boxes on the report and amending various calculations.

2.1. Specify a "Purchase From" City.

The client needs to specify the "Purchase From" City on each New or Existing Customer record using the Standard Rated Tax Type.

Click on Customers … Lists … List of Customers:

• Select the **Customer** to update.
• On the "**Purchase From**" field, select one of the defined Emirates.

Any Invoice values generated with the Standard Tax Type will be reflected on this Emirate on the VAT Report.

The system will validate that any Customer with a "Standard Rated" Default Tax Type has a Purchase From specified. The same validation will be done on document level.

2.2.   Sage disabled the "[IG] Intra GCC" tax type

As legislation no longer provides for the use of the "[IG] Intra GCC" Tax Type, this has been disabled and will no longer be able to transact upon.

2.3.   VAT Report Changes

In order to ensure statutory compliance, the following updates have been made to the UAE VAT Report:

- The heading "*Import VAT accounted through UAE customs*" was updated to "*Goods imported into the UAE*".
- The heading "*Amendments or corrections of Output figures*" was updated to "*Adjustments to goods imported into the UAE*".
- The heading "*Net VAT due (or reclaimed) for the period*" was updated to "*Payable tax for the period*".
- All Standard Rated Bad Debt transactions will be reported on Boxes 1a-1g's Adjustment column.
- All the Supplier [IA] Tax Type transactions including Supplier Adjustments, Supplier Invoice transactions, Journal Entries or Input Tax Adjustments will be reported on Box 9's Adjustment column.
- All the Customer [OA] Tax Type transactions including Customer Adjustments, Customer Invoice transactions, Journal Entries or Output Tax Adjustments will be reported on Box 9's Adjustment column.
- All the Standard Rated Supplier Return/Adjustment transactions will be reported on Box 9's Amount (AED) and VAT Amount (AED) columns.
- All the Customer Adjustments (increase and decrease) transactions will be reported on Box 1a-1g's Amount (AED) and VAT Amount (AED) columns.
- All the Customer Credit Note transactions will be reported on Box 1a-1g's Amount (AED) and VAT Amount (AED) columns.
- All the Import VAT accounted through UAE Customs (Box 6) will be included in Total Sales (Box 8).
- All Credit notes and Customer Adjustment Decreases will be subtracted from Box 7, and Customer Adjustment Increases added.
- The discontinued "[IG] Intra GCC" tax type was removed from Box 4 (Zero rated supplies) for new and existing users.

3. Improved Journal Processing (Australia Only)

Journals are posted to adjust account balances.

Journal Processing was changed to allow the creation and printing of transactions without updating the Journals immediately.

The following changes have been made:

1. User access can be limited to Add, Import, Review or Edit/Delete Journal Entries.
2. The user can save & print Journal Entries without updating the transactions yet.
3. The user can set a Default account to be used for each new Journal Entry transaction.

Setup: Create, review, update or Delete Tax Adjustments.

The following steps indicate how to allow for this setup:

3.1. Additional User Access options

The client need to specify the access that users are allowed with regards to Journal Entries:

Click on the Administration … Control User Access … Permissions option and follow these simple steps:

- Expand the **Accountant's Area** group.
- Expand the Process Journal Entries group.
- Select/unselect the access a user should have.

3.2. Creating new Journal Entries

The user can create multiple new Journal Entries with an overview of all captured transactions:

Click on the Accountant's Area … Process Journal Entries option and follow these simple steps:

• Select the **New Journals** tab and add Journal Entry transactions.
• To save these transactions without updating the Journals, click on **Save**
• To save the transactions and update the Journals, click on **Mark Selected as Reviewed** or **Mark All as Reviewed**.
• To Print these transactions only, click on **Print Preview**.

3.3. Review, Update or Delete Journal Entries

The user can view, update or delete existing Journal Entries:

Click on the Accountant's Area … Process Journal Entries option and follow these simple steps:

• Select the Reviewed Journals tab.
• Select the **Date Range** to review and click **Refresh**.
• Transactions can now be viewed, updated and/or deleted.

3.4. Set-up a Default contra-account for Journal Entries

The user can set up a default Contra-Account on the Journal Entries screen:

Click on the Accountant's Area … Process Journal Entries option and follow these simple steps:

- Select the **New Journals** tab and add Journal Entry transactions.
- Select the drop-down arrow on **by Affecting Acc.**
- Select the **(Select Default)** option.
- Select a Default Account and click on **Save**.

4. Defects and Enhancements

4.1.   Security Penetration testing

Evaluation of the security system. Fixed possible vulnerabilities to avoid services and application flaws.

4.2.   Asia Landing page changes

Made literal changes on the Login & Signup pages.

Updated the Sales Enquiries contact number for Singapore.

4.3.   Mobile Sign-In page changes

Updated the Mobile app sign-in & landing pages from desktop to mobile friendly user interface.

4.4.   User feedback screen changes

Altered feedback channels to include Customer Experience representative and channel feedback more effectively.

4.5.   Advisor Signup Page changes

Made corrections to the Google tracking for OTP Sign-ups.

Enabled Final Accounts by default for adviser signups.

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